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Hearing on the Charitable Deduction

Dear Chairman Camp, Ranking Member Levin, and Members of the House Ways and Means Committee:

Thank you for the opportunity to address the Committee to present a view from the trenches on the potential impact that capping or eliminating the charitable deduction would have upon hundreds of thousands of women and children across America who depend upon the services provided by pregnancy help centers, all of which are 501(c)(3) nonprofits. Pregnancy help centers provide vital support to some of the most vulnerable members of our society: women facing unexpected pregnancies. Not only are pregnancy help centers a crucial part of America's safety net for women facing unexpected pregnancies, they are good for America. An organization which provides equivalent quality services to the number of women and families touched by pregnancy care centers free of charge does not exist.

Heartbeat International, Incorporated, is a IRS registered 501(c)(3) nonprofit corporation, which exists to serve pregnancy help centers ("affiliates") through providing resources, leadership development, and support to pregnancy help centers, maternity homes and nonprofit adoption agencies. Heartbeat International has over 1,300 pregnancy help centers worldwide including 1,031 nationally and is one of five major nonprofits serving pregnancy help centers across the country, which together represent the 2,388 life affirming nonprofit organizations in the United States alone. Members of the Committee, Heartbeat International, speaking on behalf of our affiliates is a stakeholder as defined by Representative Camp in his opening remarks at the February 14, 2013 hearing. Heartbeat is a stakeholder not only as it represents 1,031 national life affirming centers, but also as its affiliates serve a portion of the 2.3 million women and family members nationally who are annually served by pregnancy care centers.¹ The policy recommendation your Committee makes will most definitely and most critically affect women and families across America in their moment of greatest need and vulnerability: an unexpected pregnancy.

In this letter I will briefly discuss the history of pregnancy centers, their evolution over forty plus years of existence and the critical role they play in providing reasonable, caring, and supportive alternatives to women with unexpected pregnancies. Further, I will provide a financial overview of the services provided by pregnancy care centers and the dependence upon the charitable deduction. Finally, I posit the real alternative to the government and millions of women should America's donors be de incentivized through the cap or elimination of the charitable deduction.

¹ *A Passion to Serve*, Pregnancy Resource Center A Service Report, Second Edition, Family Research Council (2010)

A Brief History: The modern pregnancy help movement began in the late 1960's developing services such as hotlines and counseling for women in their own communities.² A pregnancy center was opened in California five years before *Roe v. Wade*³ was decided. In 1971, several pro women groups came together to form Alternatives to Abortion which later became Heartbeat International. Following the announcement of the *Roe v Wade* decision, other groups seeking to help women and their families facing unexpected pregnancies opened pregnancy centers.

Pregnancy Centers Today: While many pregnancy centers continue to provide the same services as the earliest centers, namely pregnancy tests, peer counseling and material aid, some centers look little like the early centers. Many of today's pregnancy help centers offer ultrasound services pursuant to best practice guidelines established by American Institute in Ultrasound Medicine ("AIUM"), the American College of Obstetricians and Gynecologists ("ACOG") and the American College of Radiology ("ACR"). Some centers offer limited prenatal care, STD testing and Treatment Referral, classes on parenting and sexual integrity, post abortion recovery and fatherhood classes and mentoring.⁴ Today, pregnancy care centers are found in every state, in urban and rural settings, serving women and families of every color and ethnic background.

In 2010, the Family research Council ("FRC") conducted a study which examined pregnancy help centers alone, excluding the services offered by nonprofit adoption agencies and maternity homes. The FRC collected data from approximately 2000 centers providing any of the following services: consulting with new clients, pregnancy tests, and ultrasounds performed, students attending abstinence class, clients attending parenting program, and clients receiving post abortion support. It conservatively estimated that over 2.3 million women, men and children were served in one year alone.⁵ *Passion to Serve* estimates that the total community cost savings in 2010 was approximately \$100,888,000.⁶

Affiliate Support: Heartbeat affiliates depend heavily upon donations, both in volunteer hours and financial donations. The average pregnancy help center is staffed primarily by volunteers, with an Executive Director. The position of the Executive Director is often, but not always, a paid position. According to the FRC 2010 study, 71,000 volunteers, performed an estimated 5,705,000 hours of uncompensated work.⁷

As stated earlier, donations are the lifeblood of most centers, as well as of Heartbeat. The average donation per year to Heartbeat is approximately \$158.79, or \$13.23/month. Just over 25% of all of Heartbeat's donations are received in November and December. Likewise, our affiliates receive little to no federal funding. According to a 2012 survey done of 544 Heartbeat affiliates, the median amount to be raised by each of the 544 centers was \$136,460.

What Happens to 2.3 Million Women, Men and Children if Donors are Deincentivized? In Chairman Camp's opening statement he stated "we also want to make sure tax reform allows you to

² *Foot Soldiers Armed with Love*, Margaret H. Hartshorn, Donning Company Publishers, Virginia Beach 2012)

³ *Roe v. Wade*, 410 U.S. 113 (1973)

⁴ *A Passion to Serve*, p. 7

⁵ *A Passion to serve*, p. 2

⁶ *Passion to serve*, p. 1

⁷ *A Passion to serve*, p. 1

continue to meet and fulfill the mission of each of your organizations.”⁸ It is difficult, if not impossible, to predict, with any exactitude, the effect on continuation of the work of pregnancy help centers, if the charitable deduction were to be capped or eliminated.

For pregnancy help centers and the women they serve, the bottom line is not about whether or not this Committee chooses to eliminate or cap the charitable deduction. Should the charitable deduction be capped or eliminated, the bottom line for the 2.3 million people the pregnancy help movement serves annually is whether women facing unexpected pregnancies will find any other comparable source of compassionate abortion alternatives. The government does not now provide nor fund any similarly focused program. The *only* way these women and families are served is through the work of pregnancy help centers funded by \$15.00-25.00 donations of millions of Americans. At the very least, the amount of donations would decrease, albeit not be erased without the benefit of the charitable deduction. Can our country really afford to lose the work of pregnancy help centers, thereby abandoning its young mothers, fathers and other family members directly affected by these services?

It cannot be gainsaid that in light of the drastic government cuts in almost every sector of the economy and society, services such as those provided by pregnancy help centers are in continuing and even greater demand. Members of the Committee, what existing or future government program can or will meet the outlined needs free of charge to these 2.3 million women, at little or no cost to the government?

Ladies and Gentlemen of the Committee, our nation has heard nothing else from the media, every day for the last month, than the potential cuts that will be made pursuant to sequestration. We have heard about cuts in the defense budget, social security and numerous other humanitarian programs that will be affected if sequestration takes effect. Regardless of what happens with sequestration, it cannot be a reasonable consideration to cap or eliminate the charitable deduction. The charitable deduction continues to be the main avenue for Americans fund and support their local pregnancy care centers. Heartbeat International, therefore, urges the members of this committee to retain the charitable deduction thereby ensuring assistance and service provision to millions of American women facing unexpected pregnancy.

Thank you for your time and consideration.

Sincerely,

Ellen L. Foell

Legal Counsel
Heartbeat International. Inc.

⁸ <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=320088> (accessed 2/27/2013)